



AMERICANS FOR TAX REFORM

GROVER G. NORQUIST

PRESIDENT

The Honorable J. Dennis Hastert
Speaker of the House
H-232, The Capitol
Washington, DC 20515

March 24, 2005

Dear Speaker Hastert:

I would first like to commend you for the leadership you have shown in the interest of supporting free trade. Over the past couple of years, Congress has helped make considerable strides in opening foreign markets for American goods and services, most notably through free trade agreements with Australia, Chile, Morocco, and Singapore. **I now urge Congress to continue down the path to trade liberalization and support the Central American Free Trade Agreement (CAFTA) with no exemptions for favored commodities, including sugar.**

When we reduce trade barriers and expand competitive market opportunities for U.S. exports while opening our markets to foreign producers, taxpayers benefit from lower prices and more product choices. Access to these Central American markets will create new opportunities for U.S. workers and manufacturers, as more than 80 percent of U.S. exports to CAFTA nations will become duty-free. Moreover, these expanded markets will benefit farmers and ranchers, where many U.S. farm products enjoy a significant comparative advantage. However, in order to enjoy the benefits of free trade, we need to be willing to open all sectors of the market, without exception.

Creating exemptions for one sector of the market sets a bad precedent for future free trade negotiations, as others will without doubt demand their own exemption. Meanwhile, this hinders the prospect for future trade negotiations, as trading partners will be less willing to lower trade barriers without exemptions of their own, further depriving American consumers of increased choice and lower prices, and dampening prospects for truly free trade.

It comes as no surprise that certain sectors of the market become fearful when faced with the prospect of competition from abroad. However, how can we expect other nations to be willing to lower trade barriers to all aspects of their market when we are not willing to do so ourselves? We must allow truly free markets and consumers to determine an industry's share of the market, rather than artificial, government-imposed barriers.

I strongly urge you to move quickly in passing implementing legislation for CAFTA, with no exemptions for favored commodities. ATR may rate a vote for CAFTA as a vote for taxpayers.

Onward,

Grover Norquist

Cc: Republican members, U.S. House of Representatives